

3 Arsenault

Attention: Section 352 Investment Adviser Rule Comments

The recently issued proposed rule implementing the provisions of Section 352(a) of the USA PATRIOT Act requires certain investment advisers to adopt and implement a written AML program similar to those adopted by other financial institutions. The proposed rule provides for an exclusion from the adviser's AML program for clients of the adviser that are pooled investment vehicles that are themselves required to maintain an AML program. The Release accompanying the proposed rule does not indicate whether an adviser whose only clients are pooled investment vehicles would still be required to adopt an AML Program. It is respectfully suggested that the final rule contain a provision that exempts investment advisers from the requirement to adopt an AML Program if and so long as the only clients of the adviser are pooled investment vehicles that are themselves subject to the requirement to maintain an AML Program.

Thank you for the opportunity to comment on the proposed rule.